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# NORTHERN RURAL LAND USE

REPORT

of the

AGRICULTURAL ADVISORS COMMITTEE

NORTHERN DEVELOPMENT COUNCILS

December, 1987





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December, 1987  
Sault Ste. Marie, Ontario



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### APPENDIX 1





NORTHERN DEVELOPMENT COUNCILS'  
AGRICULTURAL ADVISORS' REPORT  
ON  
NORTHERN RURAL LAND USE

**1.0 INTRODUCTION**

In the spring and summer of 1987, David Ramsay, Parliamentary Assistant to Northern Development and Mines' Minister David Peterson and Northern Development Councils' Chairman Rene Fontaine co-chaired a special Agricultural Advisory Committee of the N.D.C.'s.

The Committee's purpose was to offer advice to Government on the economic diversification of Northern rural communities and examine ways of exploiting the rural land base. As authorised by the Premier, the Committee's advisory role was designed to be complementary to the Northern Development Council's task of investigating and making recommendations on the potential for using Crown Land as a tool for development in the Northern Ontario economy.

In pursuing its task on this subject, the Committee focused on two areas: possible enterprises that could complement or supplement economic activities on the Northern rural land base, such as farming, and alternate land uses that could be employed to utilise surplus/marginal rural land more efficiently and effectively.



In examining the North's rural land base, the Committee decided to:

1. Hold public meetings in April across rural Northern Ontario;
2. Review suggestions, ideas and issues raised at the public meetings; and
3. Submit its findings to the Minister of Northern Development.

## 2.0 PUBLIC MEETING DISCUSSIONS AND SUGGESTIONS

During the month of April, twelve meetings were held in nine rural communities. Attendance at meetings ranged from about a dozen people to more than fifty, normally with fifteen to twenty people, of which half to two-thirds were farmers (see table below).

### NDC AGRICULTURAL ADVISORS' COMMITTEE- PUBLIC INFORMATION SESSIONS

<u>Meeting Location</u>	<u>Date</u>
#1. Paipoonge	April 13,1987
#2.        "	"
#3. Stratton	April 14,1987
#4.        "	"
#5. Matheson	April 15,1987
#6. Powasson	April 16,1987
#7. Mindemoya	April 20,1987
#8. Verner	April 21,1987
#9. Desbarats	April 22,1987
#10. Earlton	April 23,1987
#11.       "	"
#12 Kapuskasing	April 27,1987





Discussion of alternatives to income sources from traditional rural land use activities revealed a basic belief and understanding that none of these could completely replace the present agricultural/rural economy. Participants concurred that the Northern rural economy must continue to be based on highly efficient, traditional agricultural activities, such as cash cropping and dairying. At the same time, part-time on and off farm employment is recognised as a continuing and integral part of Northern rural community economies and life-styles. Many small scale activities have the potential to supplement and complement present income generating activities. For some individuals, under some conditions, specific enterprises may well provide new livelihoods such as aquaculture and agro-forestry.

Of particular importance to the Committee was the subject of marketing. The Committee believes that the expansion of the Northern rural land base is inextricably linked to the development of new and reliable markets for its output.

Besides these discussions, other issues and concerns regarding rural land use were raised and investigated. Examples of these include maple tree degradation and soil acidification in Nipissing/Parry Sound and the cross-border movement of livestock from Rainy River through Minnesota to Winnipeg. These issues and concerns, along with actions taken, are appended to the report.



### 3.0 COMMITTEE DISCUSSIONS AND SUGGESTIONS

#### 3.1 Beef Marketing

Two recurring subjects during the various public meetings and discussions with the advisory Committee were beef marketing and beef markets. Participants suggested that perhaps a "northern pool" for marketing beef should be established. While the Committee is not prepared to endorse this action, it has agreed to assess the situation regarding dedicated quota for specific (supply managed) commodities in Northern Ontario, a subject discussed elsewhere in the report.

In the beef industry, whether at the cow-calf level or among those involved in stocker-slaughter operations, more marketing knowledge and "know-how" is needed. Most importantly, there is the need to ensure that beef producers, whether breeders or feeders, are aware of the demands of a constantly evolving marketplace; that they understand what those demands mean in terms of feeder cattle or finished cattle; and that they know how to adapt their operations to meet new market conditions.

The Committee is aware of the recent advances in management information and assistance initiated through OMAF's Red Meat Plan. The Committee believes that even more can be done by way of seminars/workshops on beef markets and marketing. Such information sessions are inexpensive ways of enabling beef producers to understand the changing beef market. One suggestion put to the Committee is to develop a video presentation for use by local groups and/or teleconference link-ups with industry experts.





### 3.2 Marketing Boards and Northern Quota

The question of dedicated quotas for specific supply-managed commodities in Northern Ontario was raised in response to two current issues: 1) a movement among some beef producers in the province to move towards supply management, hence a "northern pool" for beef; and, 2) a specific case currently in the appeal process established under the Farms Products Marketing Act, involving a proposal to produce and market chicken in Northern Ontario.

The Committee is aware that both the Ontario Milk Marketing Board and the Ontario Egg Producer's Marketing Board afford Northern Ontario special circumstances, policies and procedures with respect to quota. Such is not the case with poultry meat, where production conditions have historically favoured quota allocations to producers outside Northern Ontario.

The Committee believes that the Ontario Chicken Producer's Marketing Board should formulate a policy on Quota allocation to allow for the orderly growth and development of the chicken meat industry in Northern Ontario.

### 3.3 Hay as a Cash Crop

Optimism was expressed by participants about the possibility of selling hay to generate additional farm income. The relative value of the Canadian dollar compared to the U.S. currency, coupled with decreasing



fuel costs, have raised interest among farmers in the North in exporting hay. Northern Ontario farmers have repeatedly demonstrated the ability to produce large yields of high quality products such as timothy and alfalfa. Suggestions were made that the potential exists for hay producers in the North to expand their markets locally, nationally and internationally.

European equine markets offer possibilities for Northern Ontario hay. Buyers there prefer a variety of high quality hay products in compacted square bales. Accessing this market requires farmers to possess a good knowledge of the hay business and the hay brokerage system.

Florida is another attractive equine market, possessing a large horse racing industry that uses high quality hay from the Western and Northern United States and Canada. Florida, being a major exporter of fresh fruit and vegetables to Ontario, has a large truck fleet which usually returns to the state empty, providing an opportunity for farmers to export their hay using low cost "back hauls".

There are several risks associated with each of these markets. Farmers engaged in low-volume hay production have so far been unable to secure regular back-hauls for shipping to Florida, preventing them from bringing their hay to market economically. Finding reliable buyers and building an effective distribution system are two major hurdles. Conversely, the European market is a buyers' market, where buyers can reject hay shipped from Canada without any compensation to Canadian exporters.





Markets may be available for Northern Ontario hay in Northern Michigan. There presently exists a pool of brokers for hay in the Northern part of the state. With the proper research, a market may be accessed and a product niche developed.

In times of surplus, Northern Ontario hay producers may also be able to supplement their incomes by supplying hay to other farms experiencing hay shortages. Manitoba, Southern Ontario and, of course, Northern Ontario are the main surplus market possibilities. Without an established mechanism to deal with hay supply variations, many farmers simply will be unable exploit this situation.

The lack of a formal marketing body for Northern Ontario hay producers virtually denies them the opportunity to exploit new markets. A Northern hay marketing association may be able to co-ordinate trade, monitor hay production and examine hay marketing issues as they arise. Steps might also be taken to examine the potential for creating a regional export and intra-regional trade brokerage organisation in the North, an organisation which would deal specifically with the day-to-day operation of securing markets for Northern hay. Any developments along these lines should be the subjects of a feasibility study analysing possible market opportunities and marketing mechanisms for Northern Ontario hay.

### 3.4 Fruit Production and Marketing

It was suggested to the Committee that farmers may benefit financially from the additional sales of fruit, particularly berries.



The market outlook for Northern Ontario fruit is cautiously optimistic. Agriculture Canada states that tree grown fruits (e.g apples, pears, etc.) are expected to maintain their present market share, while berry markets are expected to expand. Demand for strawberries has remained steady, even though experts believe the industry will soon reach excess capacity. Raspberries and blueberries have some opportunities for limited market incursions in Southern Ontario, but they continue to be frustrated by high transportation costs and intense competition from Southern producers. Northern producers may find a niche in Northern markets which are relatively isolated to Southern Ontario or Maritime producers.

Yet despite these prospects, commercial fruit production in the North is still relatively small scale. According to 1986 census data, there is a grand total of 106 farms cultivating or harvesting fruit, of which only 20 farms are engaged in full-time production; 41 farms reported growing fruit trees, while 65 reported growing berries.

Two factors inhibit the expansion of the industry in the region. First, many growers lack the technical knowledge needed to cope with factors such as plant growth cycles, insects and irrigation. Existing and potential growers need to be provided with more information and advice on crop management. Second, the development of a proper storage facility network has been slow, posing difficulties for farmers wishing to send a quality product to market quickly. As an illustration of the utility of proper storing, one farmer from New Liskeard spoke to the Committee of how frozen raspberries from Scotland were available in his area, effectively competing with local production.





AgriNorth is presently addressing some of these concerns. Under its fruit and vegetable sub-program, farmers can receive grants to assist in the purchase of storage facilities, handling, cleaning and packing equipment. Proper storing will undoubtedly help the industry address some of its quality control issues. The availability of technical advice, both in terms of production and marketing, must be increased to enable the penetration of local and Southern Ontario markets.

### 3.5 Aquaculture

In recent years, aquaculture has become an economically viable industry in Ontario. As of 1985, 115 owner-operated fish farms in the province had been established, employing 60 persons full-time and 125 part-time. The annual production of fish (primarily rainbow trout) increased ten-fold between 1972 and 1982 to 540 metric tonnes (1.2 million pounds). Provincial estimates of 1986 production total approximately 1000 metric tonnes or 2.2 million pounds.

Aquaculture in Northern Ontario also appears to be expanding. Although comparable production statistics are not available for the North, it is interesting to note that nine aquaculture operations have been established in the region since 1984 by funding from the Ministry of Northern Development and Mine's Nor-Dev program.

These operations notwithstanding, a cursory analysis of the industry reveals that, unless markets can be developed outside the region and adequate water supplies found in Northern lakes with both high levels of oxygen and relatively constant temperatures, commercial aquaculture may remain small scale in Northern Ontario.



There may be areas of the North, however, where physical conditions are appropriate for commercial aquaculture. The Ministry of Natural Resources, as part of its Crown Land as a Development Tool initiative, is currently encouraging private investment in commercial aquaculture on specific crown lands in Northern Ontario.

Those wishing to pursue aquaculture as an alternate source of income should realise that commercial aquaculture operations require substantial capital for facilities, fish stocks and fish rearing technology. A high degree of technical knowledge is also needed by the owner/operator. Northern rural landowners could derive income from commercial aquaculture if they possess the capital, the necessary technical knowledge and the ability to participate in the industry on more than just a part-time basis.

### 3.6 Agro-forestry

Participants in the rural land use review suggested the possibility of initiating some form of agro-forestry (tree farming) in the North. The Committee conducted a preliminary review and analysis of this concept to determine if a detailed feasibility study is warranted.

Agro-forestry appears to have the potential to provide an additional source of income to rural landowners in Northern Ontario, particularly farmers. According to Statistics Canada, without substantial government assistance, the 1986 per farm gross sale of forest products in the North was \$5,786, or 16 percent of the average \$35,739 per farm total gross sales in the North.



Agro-forestry may help convert under-utilised marginal land in the region into productive use. At present, 29.6 percent of the region's total agricultural acreage is unused. The capital worth of idle land is reduced substantially over time and impacts on the value of productive farmland as well. Agro-forestry, through proper reforestation and land management practises, reduces the impact of soil erosion and ensures that there is an option to revert the land to alternatives uses in the future.

There are numerous market possibilities for farm forest products. Pulp and paper, waferboard and poplar veneer plants in all regions of the North have expressed a willingness to buy additional supplies of low-cost wood from farms. Opportunities may also exist to ship poplar pulpwood to Quebec wood-using industries bordering on Northeastern Ontario. Lastly, the Christmas tree industry has a definite potential for market expansion in Southern Ontario and the United States, due to the fact that the industry currently enjoys no major trade barriers. These are only a few examples of the possible markets for these products.

There are two major problems in applying agro-forestry to Northern Ontario. First, it takes decades between the planting and harvesting of some trees, a fact which may discourage farmers from using agro-forestry. Many farmers believe that they can get a faster return on their investment with more traditional crops, since the growing time is markedly less. Changing this





perception could require: 1) introducing a faster growing species into the region such as the hybrid poplar; 2) improving current government programming for Northern Ontario rural landowners, such as the Woodlands Improvement Program and the Advisory Services Program; and, 3) devising methods that will provide a constant income to landowners for their woodlot investments between planting and harvesting.

Secondly, finding long-term markets for farm forest products remains problematic. Growers will likely have difficulty determining what products are marketable in their particular vicinity at harvest time. There is clearly a need to further analyse future demand and supply relationships between farm woodlots and wood-using industries.

The foregoing suggests that there is some potential for agro-forestry to provide an alternate income source to rural landowners in Northern Ontario. The Committee feels that this concept merits further examination and recommends that a feasibility study providing a more detailed quantitative analysis of agro-forestry and its application to Northern Ontario be commissioned.

#### 4.0 CONCLUSIONS

The Committee travelled throughout the rural areas of the North listening to ideas, suggestions and concerns regarding the use of rural land. The review was not exhaustive and a number of points raised demand further study. It was anticipated that the discussions might point towards actions to improve local economies in rural areas by bolstering traditional rural incomes or stimulating new enterprises.



Much of the cleared rural land presently or formerly employed in agriculture is owned by individuals who are part-time farmers or who receive a significant portion of their total income from non-farm sources.

Because of the close link between rural land and agriculture, it is not surprising that the emphasis placed on farm and farm related issues was in evidence during the public meetings and the committee discussions leading to this report.

It is the Committee's view that current programs of the Ontario Government that might affect the rural North are, for the most part, operating reasonably well. Where a gap or inadequacy has surfaced, the Committee is recommending improvements, either through this report or through the Committee's co-chairmen to the appropriate minister.

Rural land in Northern Ontario will continue to be employed primarily in forest-related activities and farming. More importantly, rural land's usefulness as a tool for economic development will depend upon long-term security of markets for farm and forest products.

As was demonstrated to the Committee at all the public meetings, markets and marketing are a key consideration in any discussions dealing with rural land in agricultural areas. It will not be surprising to readers of this report that many of the recommendations put forward relate directly to the marketing of and markets for products of the North's rural land base.

Finally, the Committee wishes to play an ongoing advisory role in the continuing search for development opportunities on the rural land base.



## 5.0 RECOMMENDATIONS

The Committee recommends that:

The Ministry of Agriculture and Food use its facilities at the Northern Agricultural Resource Centre (New Liskeard Agricultural College) for preparing videos and conducting public seminars on marketing Northern Ontario beef and beef products.

The Ontario Chicken Producer's Marketing Board formulate a policy on quota allocation that will allow for the orderly growth and development of the chicken meat industry in Northern Ontario, especially when consideration is being given to new quota allocation.

The Ministry of Agriculture and Food investigate the possibility of creating a hay brokerage organisation in Northern Ontario as a way of stimulating cash crop hay production.

The Ministry of Agriculture and Food initiate a feasibility study to determine the market potential for Northern Ontario cash crop hay.

The Ministry of Agriculture and Food should undertake a number of horticultural initiatives, including:

- i) holding seminars across the North on production and marketing of vegetables, small fruit and berries;
- ii) assisting in the planning for and establishment of local demonstration plots;





- iii) enhancing information/advisory services for marketing of locally produced horticultural crops in the North; and
- iv) encouraging soil and crop associations and provincial/federal research stations to conduct more research on fruit and vegetable varieties.

The Ministry of Natural Resources make the benefits contained in the Woodlands Improvement Program available to all Northern Ontario rural landowners.

A feasibility study of agro-forestry, analysing its potential as a source of income from the region's rural land base, be undertaken; and that such a study be co-ordinated amongst the Ministry of Northern Development and Mines, the Ministry of Natural Resources and the Ministry of Agriculture and Food.

The Northern Development Council's Agricultural Advisor's Committee should continue and be encouraged to meet twice yearly to discuss issues involving Northern Ontario's rural land base.



ISSUES/SUGGESTIONS RAISED  
AT PUBLIC MEETINGS  
ON RURAL LAND USE

ISSUE/SUGGESTION	COMMENTS
<ul style="list-style-type: none"> <li>- Algoma grasslands as feeding grounds/rest stop for Western cattle heading to markets in the south</li> </ul>	<ul style="list-style-type: none"> <li>- The Committee suggests that local District Agricultural Development funds be used, if potential for income exists.</li> </ul>
<ul style="list-style-type: none"> <li>- Bee rearing facility in Thunder Bay</li> </ul>	<ul style="list-style-type: none"> <li>- The Committee supports the idea of establishing a queen rearing facility in this area.</li> <li>- The local beekeepers' association is encouraged to apply to AgriNorth, enabling it to hire a consultant to determine the economic and market potential of such a facility.</li> </ul>
<ul style="list-style-type: none"> <li>- Crop insurance</li> </ul>	<ul style="list-style-type: none"> <li>- The Committee agreed that "Looking Toward '88", a 1987 federal-provincial review of the Ontario crop insurance system, adequately dealt with Northern rural landowners' concerns about this system.</li> </ul>
<ul style="list-style-type: none"> <li>- Distance education for farmers in Northern Ontario</li> </ul>	<ul style="list-style-type: none"> <li>- This issue is now being handled by the Ministry of Colleges and Universities under the proposed N.O.D.I.N.E. program.</li> </ul>
<ul style="list-style-type: none"> <li>- Extension/advisory services</li> </ul>	<ul style="list-style-type: none"> <li>- The Committee asked OMAF to consider upgrading/ providing more accessible advisory services for marketing locally produced horticultural products in the north.</li> </ul>



ISSUE/SUGGESTION

COMMENTS

- |  |  |
|--|--|
| - Farmers' Markets   | - The Committee considered that any decision on this issue be reserved until the Farmers' Market Pilot Study in Sault Ste. Marie is completed.                             |
| - Homemade products, including jams and jellies, wool products and crafts            | - The Committee believes that there are markets for these products, and that individuals attempt to develop local markets as appropriate.                                  |
| - Jerusalem artichokes   | - The Committee could not identify this as a viable alternative source of income for farmers, especially given low prices for alternative sources of energy.               |
|  | - No recommendation for future action was made.  |
| - Lawn seed and sod  | - Market potential for these products is promising.  |
|  | - The committee has requested OMAF to investigate these products as part of its Northern marketing thrust.   |
| - Maple syrup/trees and problems with acid rain in Nipissing and Parry Sound regions | - The Committee believes that there is a potential for increased maple sugar in the north and that this topic be examined further in a feasibility study of agro-forestry. |
|  | - The Committee heard many complaints that acid rain was depleting and injuring maple stands in Northern Ontario.  |
|  | - OMAF and MNR were contacted.   |
|  | - OMAF has established a committee for the purpose of distributing lime to areas hit by acid damage especially Parry Sound and Nipissing areas.                            |
|  | - MNR continues to conduct soil tests across the province to determine the extent of the damage to maple stands across the province.                                       |





ISSUE/SUGGESTION

COMMENTS

- |   |   |
|---|---|
| - Movement of Canadian livestock across the U.S border between Rainy River and Manitoba | - The Committee chairman requested the Minister of Agriculture to follow-up on earlier requests to the federal government for action on this issue.   |
| - Niche markets for Northern Horticultural products                                     | - OMAF has developed a number of initiatives related to the marketing of Northern horticultural products. These include holding more marketing seminars, appointing two market development specialists and providing assistance to producers to form associations as appropriate. |
| - Organically produced vegetables   | - The Committee believes that there may be market potential for these products and has asked OMAF to investigate this potential further.  |
| - Paddy wild rice   | - The Committee believes market potential for these products may be somewhat limited.   |
|   | - No recommendation was made.   |
| - Peat harvesting/packing   | - Peat harvesting is occurring on crown land. At least two studies are being conducted by the Ministry of Natural Resources on the subject peat.  |
|   | - The Committee suggested that clients interested in harvesting peat should contact MNR's peat specialist.  |
| - Pedigree Seed Production (Rainy River)  | - This proposal is being dealt with under the Agrinorth program, and may offer significant potential for the area.  |



ISSUE/SUGGESTION

COMMENTS

- |  |   |
|--|---|
| - Programs for Small Business Development in Rural Areas                           | - Programs are available to assist small business development in Northern Ontario.<br>- The Premier's Conference in Thunder Bay in November, 1987 will address the topic of entrepreneurship in Northern Ontario. |
| - Rabbit products (domestic)   | - Market potential may exist.<br>- A group of producers are seeking inroads into Southern Ontario markets.  |
| - Self-Sufficiency in Eggs   | - The Committee felt that this concept did have potential. Follow-up by interested individuals may be most appropriate.   |
| - Tourist operations on farms  | - The Committee suggested that tourism opportunities on farms could be dealt with by existing farm vacation programming.  |
| - Wild meat/fowl products  | - Market potential may exist.<br>- The Committee asked OMAF to investigate the product's market potential in greater detail.  |
| - Woodland Improvement Program   | - The Committee urged MNR to consider providing assistance to farmers and other landowners throughout those parts of Northern Ontario where it is not presently available.  |
| - Adapt 100: Agricultural Diversification Adds Profit Today, 100 Ideas for Farmers | - Committee believes that this publication can be useful in identifying new sources of alternate incomes for farmers.   |















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